



# Double Entry Book-keeping

In the introduction to this course we noted that:

***“Double-entry book-keeping”** was developed during the Italian Renaissance, in Florence and in Genoa, and was for the first time described as a system by Luca Pacioli, a Franciscan Friar and friend of Leonardo da Vinci’s, in Milan.”*

Historically, double-entry book-keeping coincided with the rise of the bourgeois class over the last 500 years. It is one of the better products of bourgeois development.

Double-entry book-keeping enables individuals and corporations to maintain a constant, detailed record of all their claims and obligations, the consequences of all of the transactions that they perform.

The beneficial owner of any business possesses the assets,

minus the liabilities. Taking the owner into account, all of the balances on the books, positive and negative, should in the aggregate, cancel out.

Put in another way, if all the “debits” are added up, they should total the same as all of the “credits”. The “mobile sculpture” in the image above illustrates this idea quite well.

## **Cash Book**

Small businesses, and entities such as political parties and their branches, do not usually maintain a full “ledger” of accounts all the time, but they record their transactions in a “Cash Book”.

A Cash Book is the minimum form of continuous record that can be sufficient to reconstruct a full record or “ledger”, expressed as a Balance Sheet and an Income and Expenditure (or Profit and Loss) Account.

A Cash Book can be summarised as a Receipts and Payments Account, for reporting purposes.

Branches, as well as all higher structures of the SACP, ANC and trade unions, must be able to account for funds given to them, kept by them, and used by them.

At the very least, each structure must keep a Cash Book.

- The above is to introduce an original reading-text: [Keeping a Cash Book and other accounts, Tweedie, 2004.](#)
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